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## **San Bruno Supports Historic Penalty against PG&E, Demands Increased CPUC Reforms for Safer Gas Pipeline System**

*New Filing calls on CPUC to uphold CPUC President's PG&E Penalty Proposal,  
Implement Key Safety Reforms and Restore Culture of Safety at Embattled Agency*

**San Francisco, Calif.** – The City of San Bruno today called on the California Public Utilities Commission to uphold a historic Pacific Gas & Electric Co. penalty and fine proposed by CPUC President Michael Picker – and implement additional safety measures critical to creating a legacy of safety and preventing future utility disasters.

“We applaud President Picker’s proposed \$1.6 billion penalty and fine against PG&E for the devastating and man-made 2010 gas pipeline explosion and fire that killed eight citizens,” said San Bruno Mayor Jim Ruane. “A historic penalty of this magnitude sends the right message that gross negligence, corruption and decisions that put profits over people will no longer be tolerated.

“At the same time, we ask that the CPUC implement significant safety reforms, including an Independent Monitor and Pipeline Safety Trust, needed to provide the necessary safeguards to restore the CPUC’s culture of safety and help the public regain confidence and trust in a corrupted system,” Mayor Ruane said.

The Independent Monitor would serve as a third-party watchdog to ensure public safety and restore public confidence in both the CPUC and PG&E. The duties of this monitor would be to audit, evaluate, investigate and report publicly on PG&E's performance or lack of performance – duties currently not fulfilled by any existing agency or public advocate.

Similarly, the California-based Pipeline Safety Trust would provide an added layer of oversight, strengthen regulation and build greater statewide awareness around pipeline safety issues. The Trust would supplement and expand the reach of the National Pipeline Safety Trust, which was established in the wake of a similarly devastating pipeline disaster in Bellingham, Washington in 1998.

These functions are critical to helping the CPUC elevate safety as a priority, prevent future utility disasters and reform its entrenched culture of coziness with state utilities, Ruane said. The public will not be fooled by the CPUC's hollow promise to change its practices without outside help.

"New faces on the Commission dais and in important positions within the agency will not, by themselves, guarantee that urgent lifesaving, agency-wide safety reforms will be made," Ruane added.

Picker's \$1.6 billion penalty recommendation, introduced on March 13, was proposed as an alternative to an earlier September 2014 ruling by two CPUC administrative law judges that would have imposed on PG&E penalties and fines of \$1.4 billion.

San Bruno officials say both proposals are strong in different ways. Picker's alternate proposal increases PG&E's penalties and requires that the bulk fund pipeline safety work rather than California's general fund – a key distinction endorsed by San Bruno.

However, unlike the earlier proposal, Picker's alternate recommendation notably omits the inclusion of legal fee reimbursements for San Bruno, the Office of Ratepayer Advocates and the City and County of San Francisco – three of the four interveners who for more than four years helped push PG&E's proposed penalty to the historic level it is today.

"The CPUC would be remiss to discount the significant contributions of San Bruno and the other interveners who truly served as the independent safety monitors in this process by tirelessly demanding a more accountable, transparent and safer pipeline system," Ruane said. "We hope the commission will reevaluate the important contributions of San Bruno and others and reconsider this omission."

In its legal response to Picker's decision, filed Tuesday, San Bruno generally called Picker's strengthened penalty a positive step in the direction of justice against PG&E. It includes an allocation of \$850 million to improve PG&E's beleaguered gas pipelines, with a \$300 million fine to the state's general fund, down from an original --and controversial -- fine of \$950 million.

San Bruno also commended Picker for requesting a complete CPUC investigation into the PG&E-CPUC email scandal, a process that could result in additional PG&E penalties and improved rules governing regulator-utility communications.

Dozens of illegal, ex parte emails between PG&E and its state regulator were exposed last year after San Bruno successfully sued the CPUC for the release of previously concealed public records.

That lawsuit resulted in the CPUC handing over more than 7,000 pages of communications that ultimately revealed illegal contact and emails between CPUC Commissioners and PG&E executives and led to PG&E's turnover of 65,000 additional emails and the forced the resignation and recusal of CPUC President Michael Peevey and the recusal of Mike Florio from the PG&E San Bruno explosion and fire penalty case. Three PG&E executives were also terminated.

The U.S. Attorney's office and the California Attorney General's office have since launched separate investigations.

Ruane said a strong PG&E penalty is critical – but no more necessary than added safety measures at the CPUC to help prevent the same PG&E-CPUC collusion that contributed to the 2010 pipeline disaster. San Bruno will continue to fight for the creation of an Independent Monitor and Pipeline Safety Trust – if not from the CPUC then as part of any penalties imposed through the state and federal criminal cases.

"It is absolutely essential for the public and our state and federal leadership to know that we will not stop fighting for these two essential remedies," Ruane said. "The CPUC is fooling itself if it thinks it can reform an entrenched culture of corruption without any outside help. Only an Independent Monitor and Pipeline Safety Trust will provide the formal, third-party oversight needed to guarantee a going-forward legacy of safety at both PG&E and the CPUC so that what happened in San Bruno never happens again, anywhere."